



# Memorandum

**TO:** RULES AND OPEN  
GOVERNMENT COMMITTEE

**FROM:** Mayor Chuck Reed

**SUBJECT:** SEE BELOW

**DATE:** September 1, 2011

Approved

Date

9/1/11

**SUBJECT: DECLARATION OF A FISCAL AND SERVICE LEVEL EMERGENCY**

## RECOMMENDATION

1. Defer consideration of a Declaration of a Fiscal and Service Level Emergency until after October 31, when negotiations will be done.
2. Add to the September 20 City Council agenda (to be heard at 2:00 p.m.) a status report on the 2012-2013 General Fund budget, fiscal condition, projected increases in pension costs, and impacts on service delivery.

## BACKGROUND

Action on fiscal reforms is needed to help avoid additional service cuts and layoffs. We are currently in negotiations with our bargaining groups and have agreed with some of our bargaining groups on a framework for ballot measure negotiations. As part of this negotiated framework with these bargaining groups, an October 31 end date has been set to provide substantial time to negotiate these complex issues and reach a resolution in time to go to the voters in March of 2012 and achieve savings for the 2012-2013 fiscal year. The City Council had planned on considering a declaration of Fiscal and Service Level Emergency on September 20. To allow for sufficient time for negotiations with our bargaining groups, I am recommending that this decision be deferred until after October 31.

Also, given the severity of next year's \$80-\$100 million budget shortfall and the severe impact on City services, I am recommending that the September 20 meeting include a status report on the 2012-13 General Fund budget, fiscal condition, and impacts on service delivery, as well as projected increases in pension costs.